

# N.C.'S REGIONAL ECONOMIC DEVELOPMENT PARTNERSHIPS

MAY 3, 2012

ORAL PRESENTATION

# History of the regional partnerships

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- The three central, more urban regional partnerships were created as private nonprofit organizations:
  - ▣ Research Triangle, 1990 (eventually 13 counties)
  - ▣ Charlotte area, 1990 (eventually 12 counties)
  - ▣ Piedmont Triad, 1991 (eventually 12 counties)
- In early '90s, a bipartisan push created the East Region, a municipality, to promote GTP region, and 13 counties joined
- To boost rural and small-town areas, in 1994 the legislature added counties to the original three urban partnerships and created three regional commissions at the state's corners:
  - ▣ Southeast (11 counties)
  - ▣ Northeast (16 counties)
  - ▣ AdvantageWest (23 counties)

# We leverage your state dollars 1:1

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- The regions are true public-private partnerships
- They are driven by business people, not government
- The partnerships use their state funding to leverage voluntary non-state contributions from other sources that appreciate the partnerships' value to them, including:
  - ▣ Private companies
  - ▣ Private foundations
  - ▣ Participating counties
  - ▣ Federal agencies (Defense, USDA, EDA, Labor, ARC)
- Overall, the match is roughly 1:1 – i.e., for every dollar in state funds, we secure 98 cents in non-state support

# The regional partnerships' missions

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- Coordination with N.C. Commerce Dept., local officials, community colleges, and other colleges and universities
- Diverse marketing efforts
  - ▣ Trade shows and missions
  - ▣ Prospect visits and tours
  - ▣ Web sites, social media
  - ▣ Other promotional material
- Program innovation
- Product development
- Workforce assessment
- Each region tailors its efforts to meet its unique needs

# Program Evaluation's findings

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- Regionalism is the right approach to economic development, your Program Evaluation Division has told you
- PED's confidential survey of business prospects rated the regional partnerships highest among all NC players
- The partnerships have strengthened their financial controls and implemented other recent PED recommendations
- Recurring funding is necessary to develop and sustain strong regional economic development programs, as well as recruiting and retaining high-performing professional staffs
- Funding stability is necessary to attract private donations and to enable long-range economic development planning

# Partnership activity so far this year

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<b>PARTNERSHIP REGION</b>	<b>Trade Shows &amp; Outreach Missions</b>	<b>States/Nations Visited</b>	<b>Direct Business Contacts Made</b>	<b>New Projects</b>
<b>AdvantageWest</b>	8	6/0	33	31
<b>Charlotte Region</b>	19	14/4	341	52
<b>Eastern Region</b>	8	8/8	218	17
<b>Northeast Region</b>	6	6/0	156	33
<b>Southeast Region</b>	7	5/0	119	68
<b>Piedmont Triad</b>	16	6/4	92	20
<b>Research Triangle</b>	16	8/2	244	51
<b>TOTAL</b>	<b>80</b>	<b>55/18</b>	<b>1,203</b>	<b>272</b>

# Partnership funding has fallen far

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- Despite the regional partnerships' diligent work and evident effectiveness, since 2008 their combined state funding has plunged, from \$6.78 million to \$4.42 million
- That is a drop of \$2.36M, or 35%, while *NC needs jobs*
- Meanwhile, NC's economic-development competition is fierce, and other states are increasing their investments
- We need stable, adequate, recurring state funding to attract additional investments and plan and promote long-range economic development in all 100 counties, as your Program Evaluation Division has recommended

# Regions' funding request: \$5M R

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- Our request for FY 2012-2013 is at least \$5 million in recurring funding, which is 26% below 2007-08
- Last year, when an NCGA committee asked its outside expert how NC should promote economic development, he answered: Invest heavily in research and marketing
- Marketing and research are what we do daily for NC
- A greater state investment in the partnerships would attract additional non-state support, which would strengthen our state's economic-development efforts

# Regional partnership take-aways

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- We are business-led, job-focused, distinct, and effective
- For every dollar the state contributes to our efforts, non-state partners contribute roughly another dollar
- We use our resources to market NC around the U.S. and the world, helping to attract jobs and capital investment
- So far this year we have worked on 272 new projects and helped NC attract 18,000 jobs and \$4 billion in investment
- The state's return on its modest investment is considerable
- Transparent and accountable to you and our other investors

# QUESTIONS???

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